



Budget Speech

OF

THE HON. ERNEST C. MANNING

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 5th

1948

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON
Printed by A. Shnitka, King's Printer
1948

BUDGET SPEECH
DELIVERED BY
THE HON. ERNEST C. MANNING
Treasurer of the Province of Alberta

March 5, 1948

MR. SPEAKER.

This is the fourth occasion on which it has been my privilege and responsibility to move that you do now leave the chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

It is interesting to recall that the procedure of voting on financial measures was first adopted in England in 1626. The term "budget" was not coined until the latter part of the eighteenth century and it was not until early in the nineteenth century that public documents began to use the word. The practice of budgetting by Parliament resulted from the peoples' elected representatives exercising their right to control the public purse, and we should not forget that this right was established and handed down to us only after many years of violent struggles in England, France and even in the United States. The practice is founded on the principle that the peoples' representatives in Parliament must pass upon all public revenues and expenditures.

This procedure has become so firmly established as an integral part of our parliamentary system of government, that many to-day assume that this right and procedure has always existed. Too often this results in Budgets being accepted as a matter of course, when actually, the right and responsibility of each member of a Parliament or Legislature to scrutinize and pass upon every item of public revenue and expenditure is second to no other right or obligation associated with our parliamentary system of democratic self-government.

In preparing a Budget within the restrictive frame-work of our present monetary system, the Government must of necessity maintain a balance between the needs of the people in terms of essential public services and the financial resources of the State.

In the Budget which I am submitting for your consideration to-day, we have provided for substantially increased expenditures in order to meet the prevailing needs of the people in terms of essential public services. Having weighed these needs against the financial resources available to the Province, the Government is prepared to recommend to this Assembly the programme of expenditures which we consider necessary and proper, having regard to all the circumstances involved.

We must never forget that the real wealth of our Province can be measured only in terms of the goods which our people are able to produce from the vast and diversified resources with which we are blessed. For this reason, it is important that we review the provisions of the Budget in the light of the general economic development of our Province.

May I, therefore, present to the Assembly a brief resume of those factors which have a direct bearing on the economic conditions prevailing in Alberta.

AGRICULTURE

A preliminary estimate of the gross value of agricultural products shows a slight increase over 1946, the value being \$438,000,000 compared to the revised total of \$420,000,000 for the year 1946.

The gross value of field crops increased from \$268,000,000 to \$270,000,000. The reduced acreage of wheat and lower yield per acre was overtaken by higher average prices and by increased production of rye and flax. A considerable increase in the acreage of barley and an increase of approximately twenty-five per cent in the price increased the value of the barley crop some \$12,000,000.

The gross value of live stock is estimated at \$91,000,000 compared with \$89,000,000 last year, an increase of \$2,000,000. All classes of live stock showed a reduction in the number marketed. The most serious decline occurred in swine production, which shows a reduction of twenty-one per cent when compared with the number marketed the previous year. Approximately 1,000,000 head were marketed as against over 1,250,000 in 1946. The decline in the number of live stock marketed was offset by higher prices.

It is the responsibility of the Provincial Government to encourage the production of agricultural commodities which are profitable for Alberta farmers and for which there is a domestic or world demand. External developments during the past year created the incentive for an increased production of grain crops and a retarding of the production of live stock and live stock products.

Under the prevailing semi-controlled economy, it must be recognized that even a minor change in policy on the part of the Dominion Government can seriously disrupt the production programme of any Province. Such disruptions undermine the stability of our basic industry with adverse effects upon our entire provincial economy. A long-term programme for the stabilization of Agriculture requires that a proper correlation be established and maintained as between the prices of related farm commodities if both variety and maximum production are to be realized. It is evident from the experiences of the past year that Canada thus far has failed to design and implement such a programme. The year was marked by a number of significant developments. In January, 1947, the British Government agreed to increase the price of Wiltshire sides by \$4.00 per hundredweight. This was considered an important inducement for the production of hogs. However, in June, all wartime controls on the rationing and ceiling prices of dairy products and all subsidies on butterfat, cheese and milk were terminated. The result was a substantial increase in the price of butterfat and other dairy products. In October, ceiling prices on oats, barley and wheat used for feed purposes suddenly

were discontinued. At approximately the same time, it was indicated that the British Wheat Agreement would be re-negotiated at higher prices. The combination of higher grain prices and the withdrawal of price support from the live stock industry created widespread consternation among all producers of live stock products.

This combination of circumstances precipitated by Dominion Government actions, largely nullified the strenuous efforts that had been made to increase hog production in Alberta during and since the war. While an increase of \$7.00 per hundredweight in the price of Wiltshire sides was granted for a reduced quantity, this adjustment came too late to avert or repair the damage already done. As a result, Alberta hog marketings in 1947 were 21 per cent less than in 1946 and 65 per cent less than in the peak year of 1944.

Dairy products registered an increase in value from \$37,000,000 to \$46,000,000, due mainly to higher prices for butterfat. The extent and value of poultry production shows little change from the previous year, the estimated value being \$22,500,000.

The sugar beet acreage was slightly lower than that of 1946, and the yields per acre were slightly below that of last year. The production totalled 366,179 tons valued at \$14.40 per ton, making a total value of \$5,272,000. The production of sugar is estimated at 99,530,900 pounds, having a value of \$9,206,000.

The honey crop in Alberta created a new record, with production valued at \$1,400,000, an increase of approximately 50 per cent above that of 1946.

NATURAL RESOURCES

The total value of production from our natural resources in 1947 is estimated at \$82,700,000, an increase of \$8,300,000 over the value for 1946.

Production from lumbering operations during the year was valued at \$16,800,000, an increase of \$1,800,000 over the value of the previous year's output. These increases are reflected in the amount of revenue accruing to the Provincial Treasury from these sources. Production of coal totalled 8,074,000 tons, valued at \$36,000,000; a decrease in tonnage of 660,000 tons and, in value, a decrease of \$1,400,000. The production of petroleum during 1947 amounted to 6,809,284 barrels with a total value of \$18,078,000. Production from the Turner Valley oil fields showed a further decline from 5,937,000 barrels to 5,022,000 barrels, a net decrease of 915,000 barrels. This decrease, however, was partially offset by increased production from other fields. The new Leduc field accounted for an increase of 372,000 barrels and the Lloydminster field, 228,000 barrels.

The current year has been marked by major developments in the fields of exploratory and development work. In the new Leduc oil field the discovery well came into production in February of last year, attracting continent-wide attention. The new field already has been established as a major oil producing area. At the end of December, 33 wells were producing and a substantial increase in the number of wells and in the volume of production can be expected during the coming year.

Based on information already available, conservative estimates place the potential recovery of oil from the new Leduc field in excess of 100,000,000 barrels. The Lloydminster field, which so far is producing a grade of petroleum not suited for the manufacture of gasoline with the present refining facilities, also has shown a marked increase in production. An extensive programme of drilling is planned in the field this year. The oil produced is particularly suited for locomotive fuel, road oil and asphalt.

The Government consistently has followed a policy designed to assure the orderly development of Alberta's oil resources in the best interests of the people of the Province and of Canada as a whole. That policy, the soundness and fairness of which already has been demonstrated and established, embodies five major points to which the Government is committed and from which it will not deviate.

1. To take all reasonable steps necessary to encourage orderly development to meet the ever increasing demand for petroleum products and to make Canada less dependent on other countries for these essential products.

2. To insist that all development is carried on according to the best known engineering practices, thereby preventing waste and assuring the greatest ultimate recovery.

3. To establish prospecting and leasing regulations designed to effectively prevent monopoly, and encourage individual enterprise. Only by the existence of wholesale rivalry where free and competitive enterprise is carried on, can we expect to get the most active development.

4. To obtain for the people of the Province as a whole, a fair share of the returns resulting from the production of oil.

5. To assure to the owner of surface rights fair and generous treatment in determining and awarding full and proper compensation for any loss, damage and inconvenience.

I am confident the soundness and fairness of this 5-point policy will commend it, not only to the members of this Assembly and to those interested in oil development, but to the public as a whole.

WATER RESOURCES

In my address last year, I referred to certain construction projects undertaken by the Dominion Government and the Government of Alberta necessary for the extension of irrigation facilities to 345,000 acres of dry land in the Taber, Medicine Hat and Milk River areas. The completion of these works has been delayed owing to a shortage of labour and materials. However, the East Pothole Coulee dam will be completed by midsummer and the main tunnel for the St. Mary's dam will be ready to divert the flow of the St. Mary River before high water next summer. This will permit construction on the St. Mary's dam to proceed without further delay.

Extensive negotiations between the Dominion Government and the Provinces of Alberta, Saskatchewan and Manitoba, have been carried on for the purpose of determining an equitable division of the waters of inter-provincial streams, and in the case of Alberta, and

Saskatchewan an equitable division of construction costs of irrigation development. These arrangements also include the establishment of a joint board representative of the Governments involved and which will allocate available water supplies to and within the respective Provinces. There is every reason to believe a satisfactory agreement will be consummated within the near future. A separate agreement between the Dominion Government, the Government of Alberta and the Canada Land and Irrigation Company already has been approved by the Alberta Government and the Company, and now is awaiting official approval by the Dominion Government. This agreement provides for the extension of irrigation facilities to a total of 240,000 acres in the Retlaw, Enchant, Sundial and Medicine Hat areas.

During the year, there has been an unprecedented increase in the consumption of electrical energy within the Province. To meet the rapid growth of power demands, it will be necessary to commence construction of one or more power development projects in the immediate future. A dam on the Red Deer River at Ardley could serve the dual purpose of providing storage of water for both irrigation and for the generation of electrical energy. The feasibility of proceeding with this joint project is being investigated fully.

INDUSTRIAL DEVELOPMENT

During the past year 55 new industries, both large and small, became established in the Province. The new sugar factory at Taber, which will cost in the neighbourhood of four million dollars will be finished in time to handle this year's beet crop. Under construction also is a plant for the production of Propane Gas, commonly referred to as Liquid Gas; and which is used widely for industrial and domestic purposes. At present, quantities of this product are imported from the United States, and the capacity of the plant now under construction costing approximately \$300,000 will permit exports to the neighbouring provinces in addition to supplying the local requirements.

The construction of a new oil refinery in Edmonton is the direct result of the discovery of the new Leduc Oil Field during the past year; and we can anticipate additional facilities for processing the high grade crude oil as production increases.

Requests for specific information concerning industrial opportunities have been received from over three hundred individuals or firms, largely as a result of the industrial promotion programme inaugurated by the Province last year. This Province, with its almost inexhaustible supply of coal and its abundance of natural gas, reasonably can anticipate the progressive expansion of secondary industry. The Government will continue its policy of publicizing our vast resources and encouraging individual enterprise in a comprehensive programme designed to assure orderly industrial development within a free and unrestricted economy.

I wish again to record the Government's appreciation of the co-operation and assistance afforded to the Government in its industrial and economic development programme by various Municipal Industrial Boards and by business firms and associations.

CO-OPERATIVE ACTIVITIES

The number of co-operative organizations carrying on business in the Province at the end of the year totalled 327, a net increase of 13 over the number in operation at the end of the previous year. Although returns on their operations for the year are not yet complete, the volume of business will be in excess of the total of \$110,000,000 reported for the previous year. Final reports for the year 1946 showed 182 credit unions operating with a membership of 20,766 and with assets of over \$1,955,000, while incomplete returns for the year 1947 show the total assets have increased to \$2,400,000 with a membership of over 22,400. The total membership of the co-operative organizations in the Province including credit unions, number 224,549, with assets reported in excess of \$26,000,000.

The Government has assisted in organizing these associations, and marketing associations have also been assisted financially under the provisions of The Co-operative Marketing Guarantee Act.

In connection with rural electrification, five associations have been formed during the year for the purpose of distributing power to their members. Six associations were in operation previously.

The establishment and operations of these co-operative organizations unquestionably have benefited the economy of the Province, and the Government will continue to encourage and assist in their establishment.

ALBERTA HAIL INSURANCE BOARD

The Alberta Hail Insurance Board completed its tenth year of operations on December 31st, 1947. During the year, the Board issued policies to more than 16,000 farmers, covering over 3,000,000 acres of crop, the largest acreage ever insured against hail damage by any single organization in the Province. Claims were made by more than 5,500 policy-holders; and over 550,000 acres were found to be damaged by hail. The acreage suffering a loss was more than double the average damaged during the previous nine years of the Board's operations; and the claims paid were approximately \$1,770,000. The premium income for the year amounted to \$1,670,000, all of which has been collected with the exception of \$1,000. The net loss to the Board for the year will approximate \$231,000, which will be made up from the reserve fund of \$1,100,000.

At the last session of the Legislature, the Board obtained an amendment to The Alberta Hail Insurance Act whereby protection against hail could be given on crops after they had been cut and were lying in the swath or in the bundle. This protection was made available to all policy-holders without charge and was of benefit to hundreds who had some or all of their crop in swath or in stook when hail damage occurred. This was true particularly in the case of a storm on September 12th which swept across the Province in a southeasterly direction from near Ponoka. Many of the farmers in the path of the storm had already cut their crops. They received many thousands of dollars which would not have been available to them except by reason of the Board having included this additional protection in its policies under the amendment approved by this Legislature last year.

The Board has provided protection to its policy-holders at the lowest possible cost; and has operated without governmental guarantee or financial assistance.

TREASURY BRANCHES

I am pleased to report a further increase in the volume of business transacted and an increase in the earnings by the Treasury Branch System instituted in this Province. Statements for the fiscal year ended March 31st, 1947, which appear in the Public Accounts show an excess of revenue over expenditures of \$125,339; which compares with \$65,295 for the previous year. Forty-four branches were in operation as at December 31st, 1947; in addition to which partial services were being afforded to the public through 15 Sub-branches and 120 Agencies. Deposits by the public at December 31st, 1947, totalled \$25,083,000, and there was an increase of 2,337 accounts during the past calendar year. Loans on the same date total \$8,600,000; and include advances to Municipal and School Authorities of \$1,340,000, and \$230,000 mainly to Co-operatives, the payment of which is guaranteed by the Province.

Readily realizable assets total \$20,300,000, representing cash and bank balances of \$4,600,000; and Dominion of Canada bonds aggregating \$15,750,000.

The number of our people availing themselves of the services provided by the Treasury Branch System is most gratifying, and indicates the value of the services made available to the public through these Branches.

I shall now deal with the main financial statements of the Province.

FISCAL YEAR ENDED MARCH 31st, 1947

The operations of the Government for the last fiscal year ended March 31st, 1947, resulted in an over-all surplus of \$6,028,281 after providing for the retirement of debentures to the amount of \$1,650,000, and \$125,000 for sinking funds with respect to the Alberta and Great Waterways Railway Debenture Issue since called for redemption, and after providing the sum of \$4,620,414 for net capital expenditures.

The net funded and unfunded debt at the end of the fiscal year amounted to \$144,966,823 as compared with \$146,219,764 for the previous year, a net decrease of \$1,252,940.

The Public Accounts for the year have been tabled, and furnish complete information concerning the financial operations; and it is unnecessary for me to refer to them in detail at this time. The resultant over-all surplus after providing for Debt Retirement and net Capital expenditures should be gratifying to the members of this Assembly and the public generally.

DEBT REORGANIZATION PROGRAMME

Debentures and Registered Stock deposited under the provisions of the Debt Reorganization Programme now total \$112,484,000; and

additional securities of approximately \$1,000,000 have been deposited since my last report to this Assembly.

Securities to the amount of \$113,253,000, were involved in the Dept Reorganization Plan; and the securities deposited represent 99.32 per cent of the total. Outstanding securities now amount to \$769,000.

The Province reserved the right to withdraw the offer at any time after the first of September, 1945; however, in view of the gratifying response to date the offer will remain open for acceptance for a further period of time.

Again, I would take this opportunity of suggesting that holders of these debentures who have not yet accepted the offer and deposited their securities should do so at the earliest date possible.

PUBLIC DEBT

In November last the Government offered and sold by competitive tender a new issue of \$2,500,000 ten-year serial debentures carrying interest at $2\frac{1}{4}$ per cent on the one to five-year maturities, and $2\frac{3}{4}$ per cent on the six to ten-year maturities. The price received by the Province was \$99.527 per \$100, resulting in a cost to the Province of 2.705 per cent. This is one of the most favourable rates obtained on any comparable public borrowing in Canada and furnishes conclusive evidence of the high credit rating which this Province enjoys.

The Assembly also will be interested to know that approximately 50 per cent of the new issue was purchased by investors resident in Alberta. The proceeds of the issue were used to retire an equal amount of 5 per cent Alberta and Great Waterways Railway Bonds, the balance of which amounting to \$2,900,000 was retired by funds provided from the General Revenue of the Province. As a result of this refunding operation the highest interest rate the Province is paying now on any part of its public debt is $3\frac{1}{2}$ per cent while all of our bonds which bear interest in excess of $3\frac{1}{4}$ per cent are callable at par at any time after 1950. The average interest rate on the funded debt of the Province at March 31st, 1936, was 4.80 per cent. By March 31st, 1947, this was reduced to 3.37 per cent, and on December 31st, 1947, still further reduced to 3.18 per cent. I might also add that under our new agreement with the Dominion Government, the interest on \$5,300,000 of our Treasury Bill indebtedness has been cancelled altogether and the interest on the balance of our Treasury Bills amounting to \$7,600,000 has been reduced from 3 per cent to $2\frac{5}{8}$ per cent.

MUNICIPAL FINANCING

I think it is opportune after dealing with the Public Dept of the Province to refer briefly to the financial position of our Alberta Municipalities. The debenture debt of all Municipalities in the Province as at December 31st, 1941, totalled \$50,526,000. At the end of December, 1946, the total stood at \$30,489,000, a net reduction of over \$20,000,000 or 39.65 per cent in the five-year period. Temporary Municipal borrowings, which represent in the main borrowings repayable annually from tax collections, were \$1,092,000 at December 31st, 1941, and \$554,000 on December 31st, 1946. Taking into account the

generally increased costs of Municipal administration, the financial position of both the urban and rural Municipalities as evidenced by the substantial reduction of debt, is most gratifying.

CURRENT FISCAL YEAR, 1947-48

The interim statement of the financial operations for the current fiscal year for the nine months' period ended December 31st, 1947, has been furnished to members of the Legislature.

The statement is on a cash basis; and an over-all surplus of \$4,190,418 is shown after providing \$1,687,000 for Debt Retirement. The statement indicates that provincial revenues have remained generally buoyant and that continuing economic expansion and development have resulted in aggregate receipts substantially in excess of those estimated last year. Accordingly, I am again able to report that the financial statement for the current fiscal year will show an over-all surplus on both Income and Capital Accounts.

ESTIMATES

FISCAL YEAR ENDING MARCH 31st 1949

May I now direct the attention of the Assembly to the estimated revenue and expenditures for the ensuing fiscal year ending March 31st, 1949. Copies of the detailed estimates have been tabled, which, you will note, include expenditures on Income and Capital accounts and provision for debt retirement in order to arrive at our estimated budgetary requirements.

A summary of the total estimated over-all requirements on both Income and Capital accounts for the coming year is as follows:

Estimated Revenue—Income Account	\$45,230,595
Estimated Ordinary Expenditure—Income Account	36,111,178
Estimated surplus before Debt Retirement	\$ 9,119,417
Debt Retirement	347,000
Estimated Surplus—Income Account	\$ 8,772,417
Estimated Receipts—Capital Account	1,812,220
Estimated Payments—Capital Account	16,891,375
Estimated Net Capital Payments	\$15,079,155
Less: Estimated Surplus—Income Account	8,772,417
Estimated sum required for Capital purposes to be provided from accumulated surpluses	\$ 6,306,738

The estimated revenues on Income Account, shown by Departments and compared with the Estimates for the current year, are as follows:

REVENUE—INCOME ACCOUNT

Particulars	1948-49	1947-48	Increase	Decrease
Dominion of Canada	\$15,618,040	\$17,266,155		\$1,648,115
Agriculture	221,865	197,150	\$ 24,715	
Agriculture (Water Resources)	19,000	12,500	6,500	
Attorney General	1,193,700	1,117,950	75,750	
Economic Affairs		500		500
Education	206,000	223,400		17,400
Executive Council		104,000		104,000
Lands and Mines	4,299,250	3,521,680	777,570	
Legislation	3,615	1,065	2,550	
Municipal Affairs	39,500	39,900		400
Provincial Secretary	9,536,550	9,146,900	389,650	
Public Health	579,950	575,300	4,650	
Public Welfare	40,000		40,000	
Public Works	2,405,825	2,007,075	398,750	
Trade and Industry	154,300	130,000	24,300	
Treasury	10,913,000	9,885,050	1,027,950	
	<u>\$45,230,595</u>	<u>\$44,228,625</u>	<u>\$ 2,772,385</u>	<u>\$1,770,415</u>

A net increase of \$1,001,970.

The major estimated increases in revenue include petroleum and natural gas royalties, rentals fees, etc., amounting to \$950,000. This increase is attributable to the progressive development of Alberta's extensive oil fields and the Government's policy of assuring to the people of the Province as a whole a fair and equitable share of the returns accruing from the development of their natural resources. Mineral taxes show an estimated increase of \$70,000. This also is due largely to the new Leduc oil field. Increased profits from the operation of the Liquor Control Board are estimated at \$1,000,000. Treasury Branch earnings show an increase of \$112,000, due to the steadily expanding public service being rendered by these institutions. Other estimated increases include revenue from motor vehicle licenses of \$150,000, fuel oil tax, \$200,000; and truck licenses and fees, \$375,000. These reflect the steadily increasing traffic on our provincial highways. I might mention here that our expenditure estimates for construction and maintenance of highways and roads again will show generous appropriations exceeding the total revenue accruing from fuel oil taxes, motor and truck licenses and drivers' licenses. From the Dominion Government we expect to receive \$1,000,000 more than our estimate for the current year in respect of the 1947 Dominion-Provincial Tax Agreement. This is due to an increase in the gross national production reported by Ottawa for 1946 and a further increase estimated by them for 1947. Our statutory subsidies will increase over \$200,000 as a result of our increased population. Furthermore, we will receive from the Dominion as our share of income tax levied against Public Utility Corporations in the Province, an amount estimated at \$400,000.

Offsetting these increases, there are certain estimated decreases. An item of \$3,280,000, representing deferred payments under the wartime Tax Transfer Agreement, and which was included in our estimated revenue last year, has been paid by the Dominion and,

therefore, does not appear in our estimates this year. Another item of last year's budget, which does not appear in this year's estimated revenue, is the sum of \$100,000 for refunds of Government contributions to the Superannuation Fund in respect of employees leaving the service. The new Public Service Pension Act, which has replaced the former Superannuation Act, does not provide for such refunds to the General Revenue Fund.

The total expenditures on Income Account are estimated at \$36,458,178 as compared with \$32,709,666 for the current year, an estimated net increase of \$3,748,512.

The total estimated expenditures by Departments are as follows and I shall give the estimates for the current year for the purpose of comparison:

EXPENDITURE—INCOME ACCOUNT

Particulars	1948-49	1947-48	Increase	Decrease
Debt Retirement	\$ 347,000	\$ 1,405,000	.....	\$1,058,000
Interest, etc., on Public Debt	5,633,000	5,808,000	.....	175,000
Executive Council	445,855	406,620	\$ 39,235	.....
Legislation	296,135	275,565	20,570	.....
Agriculture	1,245,814	889,613	356,201	.....
Agriculture (Water Resources)	90,950	73,540	17,410	.....
Attorney General	1,078,250	987,145	91,105	.....
Education	8,546,302	7,373,114 ✓	1,173,188	.....
Municipal Affairs	184,915	179,970	4,945	.....
Provincial Secretary	272,035	233,050	38,985	.....
Public Health	5,987,174	5,013,135	974,039	.....
Public Works	4,611,806	4,039,023	572,783	.....
Railways Branch	14,760	15,930	.....	1,170
Treasury	1,265,641	1,171,730	93,911	.....
Lands and Mines	1,405,145	1,238,996	166,149	.....
Trade and Industry	303,375	241,065	62,310	.....
Public Welfare	4,080,720	2,954,034	1,126,686	.....
Canadian Vocational Training.....	270,160	140,995	129,165	.....
Economic Affairs	379,141	263,141	116,000	.....
Total Expenditure	<u>\$36,458,178</u>	<u>\$32,709,666</u>	<u>\$ 4,982,682</u>	<u>\$1,234,170</u>

A net increase of \$3,748,512.

In keeping with the Government's intention to provide increased agricultural services the estimated expenditures on Income Account for the Department of Agriculture total \$1,246,000, an increase of \$356,000 over the sum provided for the present fiscal year. The largest item is a new appropriation under The Agricultural Service Board Act of \$120,000. This is to provide for aid to Municipalities and Improvement Districts to establish seed cleaning plants and for soil conservation, weed control and veterinary services. Other increases in this Department are \$35,000 for grants and prizes under The Agricultural Societies Act; and \$34,000 for the Agricultural Extension Branch, which provides for three additional Home Economists and a Home Planning Specialist. The sum of \$206,000 is provided for the operation of Schools of Agriculture, an increase of over \$30,000. The total appropriation for District Agriculturists of \$149,970 shows an increase of \$37,000, which includes provision for the appointment of four additional agriculturists during the year.

A total of \$56,840 is provided for new or increased grants to exhibitions and fairs, an increase of \$49,000 over that provided for

the current year; and a total of \$107,820 is provided for farm labour supervision, an increase of \$24,000.

Again this year the Department of Education shows the largest estimated increased expenditure on Income Account with a total appropriation exceeding that of last year by \$1,173,000. Of this amount \$820,000 is allocated for additional grants to schools, including new special grants amounting to \$320,000 to make possible a programme of adequate teachers' retirement pension without imposing any additional financial burden on the Municipal authorities. The funds thus provided, together with an amount contributed by the School Districts and the teachers themselves will make possible a teachers' retirement pension equal to 1½ per cent of the teachers' average annual salary during the last five years prior to retirement, for each year the teacher has been engaged in his profession up to a maximum of 35 years. The Government is of the opinion that the implementation of such a pension programme will provide an effective inducement for young men and women, not merely to enter the teaching profession but to make it their life's vocation. The Department of Education's estimates also show an increase of \$198,000 in the annual appropriations for the University of Alberta, at which the student enrolment for the current year reached an all-time peak of 6,247.

In my budget address of last year, I gave the Assembly a statement showing the progressive increases in expenditures for Education from 1935-36 to 1947-48, which showed that in 1947-48 the amount appropriated was over \$5,000,000 more than that expended in 1935-36. The further increases provided in the Budget for the coming year, will raise the total appropriation for Education to an amount in excess of \$6,000,000 more than the amount expended in 1935-36.

The Public Health expenditures for the ensuing year are estimated at \$5,987,174, an increase of \$974,039 over the amount provided for the current year. The largest increase, \$366,000, is in the cost of operation of the Provincial Mental Institutions, made up of Oliver, \$124,000; Red Deer, \$38,000; Ponoka, \$191,000; and Claresholm and Raymond, \$12,000. Another large increase is in the appropriation for hospital and medical services for pensioners, mothers' allowance recipients and their dependents. This service, formerly performed by the Department of Public Welfare, has been transferred to the Department of Public Health and requires an appropriation of \$739,000, being an increase of \$236,000 over the amount appropriated last year. The additional appropriation is required mainly because of the increased number of recipients, but also is partly due to an increase in the costs of the services involved. Grants to hospitals show an increase of \$75,000 while other major increases include: Central Alberta Sanatorium, \$97,000; operation of Ponoka and Oliver Farms, \$27,000; cancer treatment and prevention, \$46,000; and maternity hospitalization, \$55,000.

The estimated increase in the Department of Public Welfare of \$1,126,686 is largely accounted for by substantially increased appropriations for old age pensions, pensions for the blind and supplementary pensions. In respect of the first two of these, increases of \$1,540,000 and \$73,000 are partially offset by increased reimbursements from the Dominion Government amounting to \$1,188,000. In the case of the regular old age pensions, the increase is attributable

both to a larger number of pensioners and to increased pensions due to new regulations which allow greater outside incomes before any deductions from the pensions are made. The increase in pensions for the blind is due to the lowering of the pensionable age. As regards supplementary old age pensions, the entire cost of which is borne by the Province, provision has been made to increase the supplementary pension from \$5.00 to \$7.00 per month, necessitating a provincial expenditure for this purpose of \$1,388,500 which is an increase of \$508,000 over the current year's estimates. While this increase represents a substantial amount, all of which must be borne by the taxpayers of the Province without any increased Dominion assistance, the Government, nevertheless, feels that the moderate increase in supplementary Old Age Pensions is right and proper, having regard to the inadequacy of the basic pension and the substantial increases in the cost of living which have taken place during the past year.

The estimates for the Department of Public Works on Income Account show an over-all increase of \$572,783, including a new appropriation of \$150,000 for the operation of the Pilot Plant at Bitumont to determine the economic feasibility of separating and refining oil from the vast deposits of oilsands in the vicinity of McMurray. The capital costs involved in the erection of the Pilot Plant have been financed from the Post War Reconstruction Fund. An increase of \$100,000 is provided in the appropriation for the maintenance of district highways and local roads, while higher costs of both labor and materials has necessitated an increase of \$126,000 for the maintenance of legislative and departmental buildings and \$50,000 for the maintenance of public institutions. Other increases include power plants, \$36,000; and expenses of the Highway Traffic Board, \$31,000.

The Lands and Mines Department estimates show a total increase of \$166,149. The General Office appropriation is increased \$81,000, largely due to increases in staff necessitated by the increased development of our natural resources. The estimates for the Northern Alberta Forest District are increased by \$48,000 and there is a new appropriation for the Eastern Rockies Forest Conservation Board, which represents an increase of \$212,000. This amount, however, is partly offset by the absorption of the former appropriation for Crow's Nest, Bow River and Clearwater Forest Reserves, which amounted to \$76,000 and \$45,000 respectively in the current year. It is further offset by estimated reimbursements of \$87,000 from the Dominion Government pursuant to an agreement consummated during the current year.

The estimates for the Attorney General's Department show an increase of \$91,000, which is due almost entirely to new salary schedules put into effect during the current year.

The Canadian Vocational Training estimates show an increase of \$129,165 accounted for by a net increase of \$88,000 in the appropriation under The Apprenticeship Act and a new appropriation of \$26,000 for the training of nurses aides.

The estimates for The Department of Economic Affairs show an increase of \$116,000. This amount includes increased expenditures for Industrial Promotion and an appropriation of \$51,000 to cover costs involved in the establishment of an Agent General's Office in London, England. An appropriation of \$27,000 is provided for surveys and

other work essential to the economic development of the Province and the implementation of the Government's programme of selective immigration.

As an offset against the aforementioned increased expenditures, I am pleased to be able to report the substantial decrease in debt service charges due to the Government's Debt Reorganization Programme, the benefits of which are reflected clearly in the estimate of expenditures in this field for the coming year. Despite the fact that the Dept Reorganization Programme provides for the regular and progressive retirement of the Province's entire outstanding debenture and treasury bill indebtedness, the estimates for the coming year show a total reduction of \$1,233,000 in the amount required to meet the annual debt service charges. This amount represents a reduction of \$1,058,000 in the amount required for debt retirement and a reduction of \$175,000 in the amount required for interest payments. A little later on I will provide the House with a concise summary of the Provincial public debt.

May I now direct your attention to the Capital Section of the Estimates.

The Estimated receipts for the year total \$1,812,220 a net decrease of \$400,705, as compared with the estimates for the present fiscal year. The details are as follows:

RECEIPTS—CAPITAL ACCOUNT

Particulars	1948-49	1947-48	Increase	Decrease
Agriculture Department	\$ 211,500	\$ 256,500	.....	\$ 45,000
Agriculture (Water Resources)	300,820	317,825	.....	17,005
Executive Council	780,100	633,000	\$ 147,100	.....
Lands and Mines	32,000	12,000	20,000	.....
Municipal Affairs	60,500	97,300	.....	36,800
Public Works	16,300	16,300	.....	.....
Treasury	411,000	880,000	.....	469,000
	<u>\$ 1,812,220</u>	<u>\$ 2,212,925</u>	<u>\$ 167,100</u>	<u>\$ 567,805</u>

A net decrease of \$400,705.

This net decrease is due largely to the disappearance of two items which appear in the Treasury Department estimates for the current year.

The Alberta Wheat Pool, having repaid their advances in full, there is no amount to correspond with the \$400,000 which appeared as a payment from the Wheat Pool to the Provincial Treasury in 1947-48. An amount of \$145,000, which appeared in the estimates last year as the transfer of the Alberta and Great Waterways Sinking Fund, does not re-occur due to the fact that the Alberta and Great Waterways Bonds were called and retired during the current year.

On the other hand, the Executive Council estimates show an increase of \$147,000 in estimated deposits to the Pension Fund. The amount deposited to the Pension Fund last year was on a 4 per cent basis under the old Superannuation Act whereas the new Public Service Pension Act increased the deductions from salaries from 4 per cent to 5 per cent.

Payments on Capital Account are estimated at \$16,891,375, a net increase of \$2,598,307 over the total provided for the present year. The details, by Departments, are as follows:

PAYMENTS—CAPITAL ACCOUNT

Particulars	1948-49	1947-48	Increase	Decrease
Executive Council	\$ 350,000	\$ 400,000	.....	\$ 50,000
Agriculture	135,000	135,000	.....	.....
Agriculture (Water Resources)	418,650	158,900	\$ 259,750	.....
Agricultural Relief	12,815	12,745	70	.....
Lands and Mines	518,740	5,000	513,740	.....
Municipal Affairs	1,500	2,500	.....	1,000
Public Works	15,200,670	13,399,423	1,801,247	.....
Treasury	254,000	179,500	74,500	.....
	<u>\$16,891,375</u>	<u>\$14,293,068</u>	<u>\$ 2,649,307</u>	<u>\$ 51,000</u>

A net increase of \$2,598,307.

In the budget address of last year I dealt at some length with the increased estimates for the Department of Public Works. At that time, the total for the Department showed an increase of \$7,686,985 over the previous year. The estimates for the ensuing year show a further increase of slightly over \$1,800,000. The sums provided for the construction of main highways, bridges and district roads total \$10,700,000 in Capital Account. This includes an amount of \$8,800,000 for main highways which is similar to the sum provided for the current year. \$1,255,000 is provided for district highways and grants to Municipalities. There is a major increase in the appropriation for public buildings and institutions. This is greater by nearly \$1,600,000 than the \$2,557,000 provided for the current year. While a considerable portion of the increased appropriation is due to a carry over of uncompleted projects from the current year, there are a number of new buildings the construction of which cannot be longer delayed. Additions and extension to the Agricultural School at Olds necessitates an extra \$51,000. A new Tuberculosis Ward at the Oliver Institute requires \$100,000 and a new storage and machinery repair shop at Edmonton, \$125,000. It is estimated that further construction urgently needed at the University of Alberta will cost over \$1,300,000 during the coming year. This figure includes \$403,000 to complete the medical building and \$600,000 for the library building. Provision has been made for a repayable advance of \$160,000 towards the erection of a Students' Union Building on the University Campus. While the funds for this building, ultimately, will be raised by the students themselves the building will remain the property of the University in the right of the Crown.

Provision is made for capital expenditures totalling \$316,000 for necessary additions to the University Hospital. This is the first phase of the three-year construction programme involving an estimated total of \$1,700,000 to provide new obstetrical, pediatric and mental reception units, all of which are sorely needed. The appropriation for power plants for buildings and institutions is \$212,600, an increase of over \$165,000 which is accounted for by \$108,000 required for the Red Deer Training School; \$20,000 each for the Lethbridge Gaol and the Central Alberta Sanatorium and smaller amounts at other pro-

vincial institutions. We have also provided a sum of \$500,000 for the construction of a new Agricultural School. This was included in the estimates for the current year but was not expended owing to shortages of labour and materials. It is the Government's intention to proceed with this project this year, if at all possible, in order to meet the growing need for additional training facilities for young men and women desirous of making Agriculture their vocation.

Capital estimates for the Department of Lands and Mines have increased from \$5,000 to \$518,000. This increase is due to provision being made for progress payments for clearing and breaking and preparation of land under the Government's land settlement programme for war veterans. These funds ultimately will be recovered by the Province out of annual crop share payments when the land is under production.

The increase of \$259,000 shown under the Department of Agriculture, Water Resources Branch, is due mainly to an amount of \$250,000 provided for construction of irrigation works on the Bow River, Canada Land and Irrigation, Macleod and St. Mary and Milk River projects.

In the budget address of last year I stressed the danger of considering a budget for any one fiscal year without regard to continuity of Government policy and the expenditures required in future years to maintain essential services at established levels, or to provide for their expansion and the addition of new services when necessary.

Circumstances to-day emphasize still more the importance of avoiding this error when appraising the provisions of the budget for the ensuing year. Honourable members should take cognizance of the fact that approximately 34.5 per cent of the Province's present revenue is received by way of a grant from the Dominion Government under the interim Tax Transfer Agreement. A further sum amounting to 20 per cent of our revenue is derived from profits accruing to the Liquor Control Board while an additional 24.5 per cent is derived from motor vehicle licenses and gasoline taxes. The moneys obtained from these three sources represents 79 per cent of our current provincial revenue. The last two mentioned sources assuredly will fluctuate as the individual income of our people decreases or increases and it would be sheer folly to anticipate continuously increased receipts from either of these sources. In fact there is much evidence to indicate that the wartime savings of our people already have been seriously depleted and individual spending already is on the decline. Under these circumstances it is reasonable to assume that during the ensuing year there will be little if any increase from those sources of revenue dependent upon the voluntary spending of our people. Nor must we overlook the possible effect on our economy of world-wide developments currently taking place and which are beyond the control of this, or any other, Province of Canada. It is true that there never was a greater world-wide demand for the products of agriculture and secondary industry, but we must recognize that the biggest demand for such commodities emanates from those war devastated countries which are forced to depend on national credits and loans advanced by other countries to enable them to purchase our products. All such arrangements are at best, temporary measures, which cannot possibly afford any degree of stability in so far as world trade and inter-

national relationships are concerned. Under these circumstances, and knowing that we cannot isolate our national and provincial economy from the effects of international developments beyond our control, we must recognize the increased responsibility that is ours to devise and pursue only such policies as will ensure to the greatest degree possible, the prosperity and well-being of the people whom we are privileged to represent.

It is scarcely necessary for me to remind the honourable members of this Assembly, or the public, of the experiences of former Governments in this Province which, when faced with serious shrinkages in provincial revenues, had to curtail essential services, place additional burdens on the people by extensive borrowings at high interest rates, and at the same time were forced to impose increased taxation on an already overburdened people.

This Government has been criticized for operating the affairs of this Province on a pay-as-you-go basis, and in a manner which has made it possible to accumulate surpluses during a period of buoyant revenues. We have been urged to reduce or abolish sources of revenue and at the same time to incur additional expenditures without regard to the future requirements or to the changed set of circumstances which the future may hold in store. This attitude is not new as evidenced by the following quotation:

“With each year new expenditures are demanded from all sides for every sort of thing; and at the same time these increases of expenditure are suggested, the abolition of some source of revenue is attempted.”

Those words are not mine, but are from a budget address delivered by Sir Vernon Harcourt in 1895.

The budgetary policy of this Government was designed to safeguard the people of the Province from the re-occurrence in future years of the unhappy experiences of the past to which I have made reference. While following our pay-as-you-go policy we have provided new public services as the need arose, and have progressively increased expenditures for public health, education and social services. We have provided for greatly increased capital expenditures for highways and roads and for public buildings and institutions. We have accomplished this without resorting to borrowing, and at the same time have succeeded in reducing the public debt of the Province by approximately \$40,000,000 in twelve years, with the balance re-financed on a serial basis, providing for complete retirement within the next 33 years. It was only by keeping our expenditures within our income during the years of buoyant revenues, that we now are able to finance deferred capital expenditures for highways, roads and public institutions, out of accumulated surpluses. In support of these statements I would like to call the attention of the Assembly to a table showing the progressive expansion of essential public services which the policy I have outlined has made possible without recourse to public borrowing or the imposition of new forms of taxation.

EXPENDITURES

Department of Agriculture—Income Account

	1936-37	1942-43	1944-45	1946-47	Estimated 1948-49
Total Expenditure	\$ 422,000	\$ 468,000	\$ 735,000	\$ 874,000	\$1,246,000

Health and Welfare Services—Income Account

Grants to Hospitals	\$ 472,000	\$ 545,000	\$ 618,000	\$ 656,000	\$ 955,000
Maternity					
Hospitalization			512,000	746,000	753,000
Cancer Treatment		53,000	85,000	168,000	189,000
T.B. Care	264,000	416,000	441,000	531,000	711,000
Mental Institutions	608,000	837,000	951,000	1,297,000	1,927,000
District Nurses	43,000	83,000	89,000	84,000	121,000
Supp. Old Age and Blind Pensions		662,000	704,000	805,000	1,388,000
Hospital and Medical Services, Old Age, Blind Pensioners and Recipients of Mothers' Allowances					740,000
Child Welfare and Mothers' Allowances	648,000	643,000	693,000	745,000	933,000
	<u>\$2,035,000</u>	<u>\$3,239,000</u>	<u>\$4,093,000</u>	<u>\$5,032,000</u>	<u>\$7,717,000</u>

Medical services and hospitalization for Old Age and Blind Pensioners and recipients of Mothers' Allowances were provided for the current year at an estimated cost of \$503,000 and is not included in the above.

Department of Education—Income and Capital Accounts

Total Expenditure	\$2,516,000	\$3,283,000	\$4,301,000	\$5,788,000	\$9,829,000
School Grants	1,585,000	2,087,000	2,718,000	3,700,000	6,020,000
University Grants	400,000	500,000	602,000	826,000	1,171,000
University Capital		14,000	229,000	209,000	1,210,000
Total	<u>\$1,985,000</u>	<u>\$2,601,000</u>	<u>\$3,549,000</u>	<u>\$4,735,000</u>	<u>\$8,401,000</u>

Department of Public Works—Income and Capital Accounts

Highways, Bridges and Ferries	\$2,424,000	\$2,833,000	\$3,460,000	\$7,011,000	\$13,442,000
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The estimated expenditures for the present year not shown in the above table total \$13,249,000.

PUBLIC DEBT

Summarized, the changes in the Public Debt of the Province since the present Government took office are as follows:

	March 31, 1936	December 31, 1947
Net Funded Debt	\$117,514,000	\$121,436,000
Net Guaranteed Debt	5,672,000	
Treasury Bills	25,427,000	
Net Funded and Guaranteed Debt	<u>\$148,613,000</u>	<u>\$121,436,000</u>
Unfunded Debt:		
Savings Certificates	9,286,000	1,029,000
Bank Loans	5,700,000	
Superannuation Fund	2,234,000	4,716,000
Miscellaneous Liabilities	1,194,000	29,000
	<u>\$167,027,000</u>	<u>\$127,210,000</u>

These figures show a net decrease in the Provincial Public Debt of approximately \$40,000,000. Over \$26,400,000 was provided from the General Revenue Fund and moneys set aside for Sinking Fund purposes. The remainder of \$13,300,000 consists of \$8,000,000 awarded the Province by the Dominion Government with respect to the transfer of the Natural Resources, and applied against the Province's Treasury Bills held by the Dominion. The balance amounting to \$5,300,000 represents a write-off by the Dominion Government of a portion of our Treasury Bill indebtedness.

Mr. Speaker, I have endeavoured to summarize briefly the record of the Government, made possible by the budgetary policy we have followed, which has met with the approval not only of this assembly but of the public generally.

In closing I want to reiterate the position which this Government consistently has maintained, the rightness of which, to-day, is being recognized by ever increasing numbers of enlightened people. While the budget policies I have outlined are, in the opinion of the Government, the most advantageous that can be devised within the framework of our present national monetary system, nevertheless we maintain that the prevailing national and provincial system of taxation is basically unsound, and is detrimental to the best interests of the Canadian people. There is plenty of evidence to show that the aggregate burden of taxation is increasing steadily in direct relationship to the extent to which the state usurps or is called upon to assume responsibilities which previously were assumed by citizens individually. The aggregate burden of taxation has reached the point where it is retarding production, inflating the prices of consumer goods and seriously depleting the purchasing power of individual citizens. Furthermore, the toll which each citizen pays to the state in return for various social and other public services, not only depletes his individual purchasing power, but deprives him of a corresponding measure of his personal freedom and independence. The more he is forced to rely on the state for services which he no longer is able to provide for himself, to that extent the collective will of the state replaces his freedom of choice as an individual.

The words of Abraham Lincoln, only recently made public, and expressing his conception of the proper relationship between a government and the individual citizens of the state would bear frequent repetition to-day. These were his words: "The legitimate object of government is to do for a community of people whatever they need to have done but cannot do at all, or cannot do so well for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves a government ought not to interfere."

The goal and objective of this Government is the effective reform of our national monetary system to the end that the citizens of this or any other Province can be relieved from the yoke of financial dependence on the state and its institutions, and enabled to enjoy in security and freedom, a standard of living limited only by our collective ability to produce the goods and services we desire.

The budget I present to you to-day is designed to ensure the best interests of our people as they continue their progress to that ultimate goal.

Mr. Speaker, I move that you do now leave the chair and that the Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

GOVERNMENT OF THE PROVINCE OF ALBERTA
STATEMENT OF FUNDED DEBT AS AT MARCH 31, 1947

STATEMENT No. 1

Date of Issue	Date of Maturity	Amount Authorized	Amount Outstanding Mar. 31, 1947	Original Interest Rate	Reduced Interest Rate (a)	Currency in which payable (at holder's option)	Denominations
*Debentures and Stock Issued Prior to June 1, 1945:							
Jan. 15, 1926	Jan. 15, 1946	\$3,750,000.00	\$ 28,500.00	4½%	2¼%	C. U.S. or S.	\$1,000.00; \$500.00; \$100.00
Jan. 2, 1922	Jan. 1, 1947	3,846,000.00	39,000.00	5½%	2¼%	C. or U.S.	\$1,000.00
Mar. 1, 1932	Mar. 1, 1947	5,000,000.00	121,000.00	6%	3%	C. or U.S.	\$1,000.00; \$500.00
Jan. 1, 1923	Jan. 1, 1948	4,800,000.00	125,000.00	5%	2½%	C. or U.S.	\$1,000.00
April 15, 1925	April 15, 1950	3,740,000.00	56,000.00	5%	2½%	C. or U.S.	\$1,000.00
Oct. 1, 1931	Oct. 1, 1951	5,649,000.00	12,000.00	4½%	2¼%	C. or U.S.	\$1,000.00
Oct. 1, 1922	Oct. 1, 1952	3,000,000.00	45,000.00	5½%	2¼%	C. or U.S.	\$1,000.00
Oct. 15, 1924	Oct. 15, 1954	1,000,000.00	13,500.00	4½%	2¼%	C. or U.S.	\$1,000.00; \$500.00
Dec. 15, 1934	Dec. 15, 1949-54	3,000,000.00	26,700.00	4%	2%	C. or U.S.	\$1,000.00; \$500.00; \$100.00
July 15, 1925	July 15, 1955	500,000.00	2,000.00	5%	2½%	C. or U.S.	\$1,000.00; \$500.00
Sept. 1, 1933	Sept. 1, 1955	2,850,000.00	32,500.00	5%	2½%	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1926	Oct. 1, 1956	6,000,000.00	229,000.00	4½%	2¼%	C. or U.S.	\$1,000.00
Oct. 15, 1927	Jan. 15, 1957	1,275,000.00	8,000.00	4½%	2¼%	C. or U.S.	\$1,000.00
Dec. 1, 1927	Dec. 1, 1957	1,850,000.00	22,000.00	4%	2%	C. or U.S.	\$1,000.00; \$500.00
July 16, 1928	July 16, 1958	3,500,000.00	60,000.00	4½%	2¼%	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1928	Oct. 1, 1958	5,915,000.00	101,500.00	4½%	2¼%	C. or U.S.	\$1,000.00; \$500.00
Oct. 1, 1929	Jan. 1, 1959	7,400,000.00	5,424,000.00	5%	2½%	S.	\$1,000.00
Oct. 1, 1929	Oct. 1, 1959	6,000,000.00	82,800.00	5%	2½%	C. or U.S.	\$1,000.00; \$500.00; \$100.00
May 1, 1930	May 1, 1960	3,000,000.00	45,300.00	4½%	2¼%	C. or U.S.	\$1,000.00; \$500.00; \$100.00
April 1, 1931	April 1, 1961	5,000,000.00	51,900.00	4½%	2¼%	C. or U.S.	\$1,000.00; \$500.00; \$100.00
June 1, 1932	June 1, 1962-67	4,866,666.66	13,870.00	5%	2½%	S.	21-0-0 Stock
June 1, 1927	June 1, 1967	5,239,500.00	28,000.00	4½%	2¼%	C. or U.S.	\$1,000.00
			\$6,567,570.00				
**Debentures and Stock Issued as Exchanges under Debt Reorganization:							
June 1, 1945	June 1, 1961	\$2,794,400.00	\$2,774,900.00	3½%		C. U.S. or S.	\$1,000.00; \$500.00; \$100.00
"	" 1962	2,049,000.00	2,026,000.00	"		C. or U.S.	\$1,000.00
"	" 1962	847,000.00	838,000.00	"		C. or U.S.	\$1,000.00
"	" 1963	1,602,500.00	1,562,500.00	"		C. or U.S.	\$500.00
"	" 1963	1,398,000.00	1,382,000.00	"		C. or U.S.	\$1,000.00
"	" 1964	3,108,000.00	3,028,000.00	"		C. or U.S.	\$1,000.00
"	" 1965	124,000.00	123,000.00	"		C. or U.S.	\$1,000.00
"	" 1965	3,096,000.00	3,010,000.00	"		C. or U.S.	\$1,000.00
"	" 1966	1,875,600.00	1,855,900.00	"		C. or U.S.	\$1,000.00; \$500.00; \$100.00
"	" 1966	1,460,000.00	1,421,000.00	"		C. or U.S.	\$1,000.00
"	" 1967	1,025,000.00	1,018,000.00	"		C. or U.S.	\$1,000.00
"	" 1967	2,431,000.00	2,403,000.00	"		C. or U.S.	\$1,000.00
"	" 1968	3,580,000.00	3,466,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1969	3,710,500.00	3,689,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1970	3,844,000.00	3,795,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1971	3,270,500.00	3,236,500.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1971	712,000.00	708,000.00	"		C. or U.S.	\$1,000.00
"	" 1972	1,272,000.00	1,260,000.00	"		C. or U.S.	\$1,000.00
"	" 1972	2,854,000.00	2,745,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1973	4,275,000.00	4,142,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1974	1,751,500.00	1,734,500.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1974	2,677,000.00	2,654,000.00	"		C. or U.S.	\$1,000.00; \$500.00
"	" 1975	4,589,000.00	4,496,500.00	"		C. or U.S.	\$1,000.00; \$500.00

1976	4,586,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1977	5,754,500.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1978	2,684,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1979	5,046,700.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1980	4,600,500.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1981	726,500.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1982	4,024,307.93	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1983	1,784,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1984	3,663,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1985	\$78,647,837.93	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1986	\$1,687,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1987	44,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1988	45,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1989	2,266,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1990	2,329,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1991	2,400,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1992	2,474,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1993	2,549,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1994	2,633,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1995	2,721,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1996	2,812,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1997	2,906,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1998	3,003,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
1999	\$27,915,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2000	\$1,790,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2001	2,448,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2002	4,645,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2003	350,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2004	1,600,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2005	6,192,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2006	4,509,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2007	4,678,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2008	\$26,212,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2009	\$6,567,570.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2010	78,647,837.93	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2011	27,915,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2012	\$113,130,407.93	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2013	26,212,000.00	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2014	\$139,342,407.93	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2015	143,437.18	U.S. or S.	\$1,000.00; \$500.00; \$100.00
2016	\$139,198,970.75	U.S. or S.	\$1,000.00; \$500.00; \$100.00

Single denominations
held by
Dominion of Canada

Debentures Issued for Cash as at

June 1, 1945:

June 1, 1947:

June 1, 1948:

June 1, 1949:

June 1, 1950:

June 1, 1951:

June 1, 1952:

June 1, 1953:

June 1, 1954:

June 1, 1955:

June 1, 1956:

June 1, 1957:

June 1, 1958:

June 1, 1959:

June 1, 1960:

Summary:

Debentures and Stock:

*Issued prior to June 1, 1945:

**Issued as exchanges under debt reorganization:

Issued for cash as at June 1, 1945:

Treasury Bills:

Total funded debt:

Less: Sinking funds:

Net funded debt:

*Debentures and stock included in debt reorganization offer and outstanding at March 31, 1947, excepting note (b).
 **Callable before maturity, on any interest date on or after June 1, 1950, with accrued interest, at sixty days' notice.
 (a) Reduced interest rates tendered by the Province.
 (b) Alberta and Great Waterways Railway First Mortgage Gold Debenture bonds—not included in debt reorganization offer.

Abbreviations:
 C.—Canada.
 U.S.—United States of America.
 S.—Great Britain.

STATEMENT No. 2

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT

GENERAL REVENUE FUND:				Surplus or *Deficit
Year ended Dec. 31st	Particulars	Revenue	Expenditure	
1905	Per Order-in-Council 966/11	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47
1906	"	1,425,059.01	1,279,041.44	146,017.57
1907	"	1,847,452.61	1,839,064.04	8,388.57
1908	"	2,755,900.41	2,079,708.20	676,192.21
1909	"	2,511,851.46	2,632,935.53	121,084.07*
1910	"	2,071,773.94	3,696,826.86	1,625,052.92*
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17*
1911	Per Public Accounts	2,802,325.79	3,037,618.45	235,292.66*
1912	"	3,419,381.52	3,353,258.48	66,123.04
1913	"	4,519,345.19	4,409,795.18	109,550.01
1914	"	4,350,836.79	4,446,160.31	95,323.52*
1915	"	4,144,040.18	4,742,374.81	598,334.63*
1916	"	4,228,974.28	5,006,993.08	778,018.80*
1917	"	5,069,303.73	5,712,643.03	643,339.30*
1918	"	6,283,336.15	7,132,119.21	848,783.06*
1919	"	8,004,476.10	7,905,330.47	99,145.63
1920	"	9,005,862.21	8,544,052.16	461,810.05
1921	"	8,486,946.25	10,605,155.91	2,118,209.66*
1922	"	9,324,889.73	11,235,192.22	1,910,302.49*
1923	"	10,419,146.26	10,990,830.00	571,683.74*
1924	"	10,506,627.13	11,127,468.55	620,841.42*
1925	"	11,531,025.99	11,343,006.45	188,019.54
1926	"	11,912,128.27	11,894,327.74	17,800.53
1927	"	12,263,400.64	12,479,380.97	215,980.33*
Year ended March 31st:				
1928 (3 months) ..		3,886,495.04	3,390,751.58	495,743.46
1929	" ..	15,265,083.77	13,686,260.68	1,578,823.09
1930	" ..	15,829,865.22	15,402,884.57	426,980.65
1931	" ..	15,710,962.44	18,017,543.54	2,306,581.10*
1932	" ..	13,492,430.28	18,645,481.20	5,153,050.92*
1933	" ..	15,426,264.94	17,533,785.97	2,107,521.03*
1934	" ..	15,178,607.44	17,056,638.86	1,878,031.42*
1935	" ..	15,697,770.48	17,435,821.37	1,738,050.89*
1936	" ..	16,575,151.62	18,225,949.86	1,650,798.24*
1937	" ..	20,743,045.72	20,665,192.83	77,852.89
1938	" ..	24,127,805.54	21,359,739.46	2,768,066.08
1939	" ..	24,269,817.40	21,242,625.48	3,027,191.92
1940	" ..	24,410,039.54	21,922,189.04	2,487,850.50
1941	" ..	21,921,669.29	20,570,675.91	4,350,993.38
1942	" ..	27,213,546.34	19,965,125.48	7,248,420.86
1943	" ..	27,961,197.97	21,588,134.34	6,373,063.63
1944	" ..	29,786,033.38	23,095,501.98	6,690,531.40
1945	" ..	31,848,484.17	25,962,684.07	5,885,800.10
1946	" ..	40,915,956.30	29,268,547.92	11,647,408.38
1947	" ..	42,588,038.42	31,939,342.48	10,648,695.94
	Debt Reorganization Programme	13,047,917.39	21,180,505.17	8,132,587.78*
		\$596,416,241.90	\$563,798,685.98	\$32,617,555.92
Deduct:				
Interest adjustment deferred under debt reorganization programme less reimbursements received and applicable thereto				\$6,256,511.00
Less: Excess of other income assets over liabilities and adjustments ..				3,137,987.35
				3,118,523.65
Surplus General Revenue Fund, March 31st, 1947				\$29,499,032.27
Deduct: Alberta Government Telephone deficit, March 31st, 1947				2,899,036.23
Income Surplus, March 31st, 1947				\$26,599,996.04

Certified correct,

C. K. HUCKVALE, C.A.,
Provincial Auditor

STATEMENT No. 3
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

1. AGRICULTURE—

(a) GENERAL:

Area.....(Acres).....	Land	159,232,000 Acres.
	Water	4,150,400 Acres.
	TOTAL	163,382,400 Acres.
Area.....(Sq. Miles).....	Land	248,800 Sq. Miles.
	Water	6,485 Sq. Miles.
	TOTAL	255,285 Sq. Miles.
Population.....(1946).....	Rural	448,934 No.
	Urban	354,396 No.
	TOTAL	803,330 No.
Population.....(1946).....	Male	423,997 No.
	Female	379,333 No.
	TOTAL	803,330 No.
Area of National Parks.....		13,399,808 Acres.
Area of Forest Reserves.....		8,947,680 Acres.
Area of Forested Lands.....		83,635,200 Acres.
Area of Lands excluding Dom. and Prov. Parks and Alienated Land....		97,994,240 Acres.
Area of Total Lands.....		159,232,000 Acres.
Area of Agricultural Land.....		87,449,600 Acres.
Area of Arable Land.....		70,000,000 Acres.
Area of Occupied Farms.....		41,000,000 Acres.
Area of Farm Land Under Cultivation.....		20,280,600 Acres.
Number of Farms (1946).....		89,561 No.

(b) PRODUCTION:

	Unit	Preliminary 1946	Estimates 1947
Wheat Production.....	Quantity.....Bushels	127,000,000	103,000,000
	Value.....\$.	140,970,000	116,390,000
Other Grains' Production.....	Quantity.....Bushels	149,610,000	133,983,000
	Value.....\$.	92,273,000	121,624,000
Root Crops Production.....	Quantity.....Tons	490,000	464,000
	Value.....\$.	8,722,000	8,168,000
Fodder Crops Production.....	Quantity.....Tons	3,028,000	2,701,000
	Value.....\$.	26,600,000	27,053,000
Live stock Population.....	Horses.....No.	469,000	410,000
	Cattle.....No.	1,145,000	1,188,000
	Calves.....No.	453,000	465,000
	Sheep and Lambs.....No.	666,000	613,000
	Swine.....No.	939,000	964,000
Live stock Marketings.....	Horses.....No.	42,000	37,000
	Cattle.....No.	494,000	423,000
	Calves.....No.	100,000	87,000
	Sheep and Lambs.....No.	300,000	289,000
	Swine.....No.	1,250,000	1,105,000
	Total Value.....\$.	89,000,000	91,062,000
Live stock Shipments from Alberta.....	Horses.....No.	29,000	17,000
	Cattle.....No.	200,000	197,000
Dairy Production.....	Value.....\$.	36,900,000	46,739,000
Poultry Production.....	Value.....\$.	21,514,000	22,715,000
Miscellaneous Agricultural Production.....	Value.....\$.	4,051,000	4,315,000
TOTAL—Agricultural Production.....	Value.....\$.	420,000,000	438,000,000

STATEMENT No. 3—Continued
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATISTICS

2. NATURAL RESOURCES:

		Unit	Preliminary Estimates	
			1946	1947
Coal Production.....	Quantity.....	Tons	8,734,000	8,074,000
	Value.....	\$.	37,700,000	36,300,000
Petroleum Production.....	Quantity.....	Bbbs.	7,138,000	6,809,000
	Value.....	\$.	14,348,000	18,078,000
Natural Gas Production.....	Quantity.....	M. cu. ft.	45,248,000	48,637,000
	Value.....	\$.	7,692,000	8,268,000
Salt Production.....	Quantity.....	Tons	31,000	29,000
	Value.....	\$.	440,000	414,000
TOTAL—Mineral Production.....	Value.....	\$.	60,000,000	63,000,000
Forestry—Lumber Cut.....	Quantity.....	Ft. b. m.	334,646,000	321,080,000
	Value.....	\$.	14,000,000	14,400,000
Miscellaneous Forestry Products.....	Value.....	\$.	1,000,000	2,400,000
TOTAL—Forestry Production.....	Value.....	\$.	15,000,000	16,800,000
Commercial Fisheries.....	Quantity.....	Lbs.	11,128,000	10,900,000
	Value.....	\$.	1,330,000	1,240,000
Fur.....	Value.....	\$.		1,600,000
TOTAL—Natural Resources.....	Value.....	\$.	75,000,000	82,700,000

3. OTHER STATISTICS:

		Unit	1946	1947
Trade and Industry—Retail Trade.....	Sales.....	\$.	375,000,000	415,000,000
	Wholesale Trade.....	\$.	241,133,327	280,000,000
Manufacturing Industries.....	Value of Production.....	\$.	255,000,000	263,000,000
Railway Mileage.....		Miles	5,820	5,828
Schools in Operation.....		No.	2,722	2,659
Motor Vehicles.....		No.	138,868	145,000
Hard Surfaced Highways.....		Miles	9,847	10,350
Bank Clearings.....		\$.	1,441,386,752	1,643,301,463
Bank Debits.....		\$.	3,036,964,322	3,359,727,031
Construction Industry.....	Contracts Awarded.....	\$.	38,971,900	47,425,100